

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **May 10, 2005**

AGENDA ITEM NO.:

CONSENT:

REGULAR: **X**

CLOSED SESSION:  
(Confidential)

ACTION: **X**

INFORMATION:

**ITEM TITLE:** Adoption and Appropriation of the FY 2006 Operating and City Capital Budgets and Adoption of the FY 2006-2010 Capital Improvement Program.

**RECOMMENDATION:** Adopt an ordinance approving the FY 2006 Operating Budget, FY 2006 Capital Budget and the FY 2006-2010 Capital Improvement Program and appropriating funds for the new fiscal year.

**SUMMARY:** Following April 12, 2005 Council action, two additional adjustments were made to the Proposed FY 2006 Operating Budget. The first adjustment was made for additional funding from the State Compensation Board for the Commonwealth Attorney's Office. The adjustment to revenue is offset by expenses for a net effect of zero. The second adjustment was to correct expenses in the Community, Planning and Development Department resulting in a \$40,398 increase in Fund Balance.

Adopting Ordinances A, B, E, F, G, H, J, K and L require a majority vote of all of the members of City Council, said vote to be taken by ayes and noes.

Adopting Ordinances C, D and I require five votes among the members of City Council, said vote to be taken by ayes and noes.

The FY 2006 Proposed Operating and Capital Budgets have been amended as follows:

### General Fund

	<u>Proposed Operating Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
<b>Revenues and Use of Fund Balance</b>	\$133,466,776		\$137,201,755
Use of Fund Balance	<b>\$3,128,878</b>		
Adjustments to Proposed Budget Projections		606,101	
<b>Total Revenues and Use of Fund Balance</b>	<b>\$136,595,654</b>	<b>\$606,101</b>	<b>\$137,201,755</b>
<b><u>Expenditures</u></b>			
Operations	\$86,932,625	\$474,552	\$87,367,177
Debt Service	11,582,274	0	11,582,274
Schools-Operations	31,029,814	250,000	31,279,814
Transfers to Other Funds	3,438,963	(170,000)	3,268,963
Reserve for Snow Removal, Streets and Bridges	250,000	0	250,000
Reserve for Contingencies	1,200,000	0	1,200,000
Capital Improvements	2,161,978	0	2,201,978
<b>Total Expenditures</b>	<b>\$136,595,654</b>	<b>\$554,552</b>	<b>\$137,150,206</b>
<b>Balance</b>		<u>\$51,549</u>	
<b>Increase in Fund Balance</b>		<u>(51,549)</u>	
<b>Final Balance</b>		<u><u>\$0</u></u>	

Details of these adjustments can be found in Attachment A.

Schools Operating Fund

The Schools Operating Fund has been amended by \$250,000 to reflect additional funding approved by City Council.

Airport Fund

The Airport Fund has been amended by \$3,739 to reflect the continuation of the Life Insurance Holiday.

Fleet Services Fund

The Fleet Services Fund has been amended by a \$168,641 increase in Revenue and Expenditures to reflect increased fuel costs.

Water Fund

The Water Fund has been amended by \$11,475 to reflect increased fuel costs.

Sewer Fund

The Sewer Fund has been amended by \$44,394 to reflect a reduction in the transfer to the General Fund. An amendment of \$10,463 has also been made to reflect increased fuel costs.

Solid Waste Fund

The Solid Waste Fund has been amended by \$4,703 to reflect increased fuel costs.

City, Federal, State Aid Fund

The City, Federal, State Aid Fund has been amended by \$5,828 to reflect the continuation of the Life Insurance holiday.

Capital Improvement Program

The FY 2006 Capital Improvement Program is increased by \$237,865 to reflect the use of Highway Maintenance Funding for the Storm Drainage System Repairs/Replacement Project; \$124,000 to reflect City Armory renovations; \$62,702 to reflect additional funding for Street Overlay; and \$1,745,568 to reflect the inclusion of funding from the Virginia Department of Transportation.

Fund Balance

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2006 is projected to be \$13,440,097 or 10% of revenues.

PRIOR ACTION(S): March 8, 15, 22, 29, April 12, 26, 2005 – City Council Work Sessions  
April 5, 2005 – Public Hearing on the Proposed FY 2006 Budgets for City Government,  
Public Schools, Water, Sewer, Solid Waste, Airport and Other Funds,  
and the FY 2006 - 2010 Capital Improvement Program. Public Hearing  
on the proposed effective increase in Real Estate Tax Rates.

BUDGET IMPACT: See attached budget ordinance.

CONTACT(S): L. Kimball Payne, III, City Manager, 455-3990  
Bonnie Svrcek, Deputy City Manager, 455-3990  
Donna Witt, Assistant Finance Director, 455-3968

ATTACHMENT(S): Attachment A: General Fund Expenditure Adjustments,  
Ordinances adopting and appropriating the FY 2006 Operating Budget, FY 2006 Capital Budget and the FY 2006-2010 Capital Improvement Program.

REVIEWED BY: lkp

**BALANCING THE FY 2006 GENERAL FUND BUDGET****Revenues and Use of Fund Balance**

<i>Proposed Revenues (from the FY 2006 Proposed Operating Budget)</i>	\$	<b>133,466,776</b>
Use of Fund Balance	\$	3,128,878
<b>Total Proposed Revenues and Use of Fund Balance</b>	<b>\$</b>	<b>136,595,654</b>

*Adjustments: Revenue Summary (discussed at 4/12/05 Council Meeting)*

**Non-Dedicated Revenue Adjustments**

Current Real Property	\$	720,844
General Property Taxes	\$	32,439
Local Sales Tax	\$	190,660
Utility Tax: Telephone	\$	118,631
Allowance for Uncollectible Business License	\$	(192,363)
Various Other Adjustments: Other Local Taxes	\$	(43,987)
Building Permit Fees	\$	(109,021)
Various Other Adjustments: Permits, Privilege Fees and Licenses	\$	(811)
Various Other Adjustments: Use of Money and Property	\$	14,131
Various Other Adjustments: Charges for Services	\$	18,500
ABC Profits	\$	(57,737)
Wine Taxes	\$	(39,892)
Various Other Adjustments: State Non-Categorical Aid	\$	7,500

**Dedicated Revenue Adjustments**

Engineering Service Charges	\$	(138,951)
Various Other Adjustments: Charges for Services	\$	(35,770)
Various Adjustments: Miscellaneous Revenue	\$	61,962
Various Other Adjustments: State Non-Categorical Aid	\$	1,263
Social Services Administration Federal Categorical Aid Pass Thru	\$	108,564
Human Services Capital Lease	\$	100,000
Various Other Adjustments: Federal Categorical Aid Pass Thru	\$	10,420
FY 2006 Revenue Maximization Funds	\$	(151,876)
Various Other Adjustments: Interfund Transfers	\$	(54,395)

<b>Revised Revenues and Use of Fund Balance</b>	<b>\$</b>	<b>137,155,765</b>
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**Expenditures, Reserves and Transfers**

<b>Proposed Expenditures and Transfers (from the FY 2006 Proposed Operating Budget)</b>	<b>\$</b>	<b>136,595,654</b>
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*Adjustments: Expenditure Summary (discussed at 4/12/05 Council Meeting)*

Fire Department Increase Staffing by .33 position	\$	13,831
City Manager's Office Telecommunications	\$	480
Blue Ridge Regional Jail Authority correction	\$	(15,000)
Fuel: General Fund	\$	142,000
Greater Lynchburg Transit Corporation	\$	99,600
Indigent Hospitalization	\$	(3,093)
PC Replacements	\$	(150,000)
Transfer to Technology Fund	\$	150,000
Comprehensive Service Act Providers	\$	320,000
Reduce Transfer to Comprehensive Services Act Fund	\$	(320,000)

<b>Revised Expenditures</b>	<b>\$</b>	<b>136,833,472</b>
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<b>Revised Balance</b>	<b>\$</b>	<b>322,293</b>
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**Results of April 12, 2005 City Council Actions**

Additional Funding for Schools Operations	\$	(250,000)
Sheriff Office Salary Adjustments	\$	(30,142)
Legal Aid Funding Adjustment	\$	(10,000)
Central Virginia Area Agency on Aging Funding Adjustment	\$	(15,000)
City Cemetery Funding	\$	(6,000)

<b>Revised Balance</b>	<b>\$</b>	<b>11,151</b>
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*Adjustments: Revenues and Expenditures After April 12, 2005 Council Action*

Additional Funding from Compensation Board for Commonwealth Attorney's Office	\$	45,990
Additional Expenditures Related To Compensation Board Funding	\$	(45,990)
Correction to Community, Planning and Development Department	\$	40,398

<b>Revised Balance</b>	<b>\$</b>	<b>51,549</b>
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Increase in Ending Fund Balance	\$	(51,549)
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<b>Balance</b>	<b>\$</b>	<b>-</b>
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